

**LEMON GROVE CITY COUNCIL
AGENDA ITEM SUMMARY**

Item No. 1.M
Mtg. Date June 20, 2017
Dept. Public Works

Item Title: Levy and Collection of Assessments within the Lemon Grove Wildflower Landscape Maintenance Assessment District 97-1 for Fiscal Year 2017-2018

Staff Contact: Mike James, Assistant City Manager/Public Works Director

Recommendation:

Adopt a Resolution (**Attachment B**) approving the levy and collection of assessments within the Lemon Grove Wildflower Landscape Maintenance Assessment District 97-1 for Fiscal Year 2017-2018.]

Item Summary:

The Lemon Grove Wildflower Landscape Maintenance Assessment District 97-1 was created in September 1997, pursuant to the provisions of the Landscaping and Lighting Act of 1972. The District includes 46 properties.

The engineer's report was presented and approved by the City Council on September 2, 1997. In order to pay for maintenance of the landscaped areas, the assessment may be adjusted annually by the greater of 3 percent or the percentage increase of the Consumer Price Index (CPI), within a maximum cap of \$335 per parcel.

Staff recommends a 3 percent increase in the assessment for Fiscal Year 2017-2018. The staff report (**Attachment A**) details the reasons and the proposed budget for the Wildflower Landscape Maintenance Assessment District.]

Fiscal Impact:

The FY 2017-2018 budget anticipates a beginning fund balance and revenues of \$7,340 and expenditures totaling \$7,340.]

Environmental Review:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Not subject to review | <input type="checkbox"/> Negative Declaration |
| <input type="checkbox"/> Categorical Exemption, Section [] | <input type="checkbox"/> Mitigated Negative Declaration |

Public Information:

- | | | |
|--|---|---|
| <input checked="" type="checkbox"/> None | <input type="checkbox"/> Newsletter article | <input type="checkbox"/> Notice to property owners within 300 ft. |
| <input type="checkbox"/> Notice published in local newspaper | <input type="checkbox"/> Neighborhood meeting | |

Attachments:

- A. Staff Report
- B. Resolution

LEMON GROVE CITY COUNCIL STAFF REPORT

Item No. 1.M

Mtg. Date June 20, 2017

Item Title: **Levy and Collection of Assessments within the Lemon Grove Wildflower Landscape Maintenance Assessment District 97-1 for Fiscal Year 2017-2018**

Staff Contact: Mike James, Assistant City Manager/Public Works Director

Discussion:

On September 2, 1997, the City Council created the Lemon Grove Wildflower Landscape Maintenance Assessment District 97-1 (District), pursuant to the provisions of the Landscaping and Lighting Act of 1972. At that meeting, an engineer's report detailed the need for an assessment in order to pay for the maintenance of the landscaped areas. The District includes 46 properties located along both sides of Gold Lake Road, Blue Lake Court, Long Lake Court, and Green Lake Court.

Each year, the City Council may increase the annual assessment by the greater of 3 percent or the percentage increase of the Consumer Price Index (CPI), with a maximum cap of \$335 per parcel. As reported in March 2017 by the United States Department of Labor, Bureau of Labor and Statistics, the CPI for All Urban Consumers in the San Diego area increased by 2.4% during the prior 12 months.

During the establishment of the Fiscal Year 2017-2018 (FY 2017-18), city staff continues to monitor the reserve balance goal of \$11,550 that was established in FY 2014-15. The reserve goal equals one-year of anticipated expenditures plus 40 percent of operational expenditures.

In FY 2016-17, staff continues to rely on the services of two contractors to maintain the District's landscaping and trees. The two contractors are West Coast Arborists (WCA) and Aztec Landscaping Services, Incorporated (Aztec). Staff recommends continuing this maintenance service for the next fiscal year. In FY 2016-17, staff had to advertise the City's landscape management services contract and as a result a new contractor was selected. Aztec Landscaping, Incorporated (Aztec) was selected to replace Landcare Services. As a direct result of the public bidding process, the monthly cost to maintain the existing landscaping increased from \$141 to \$299. This is a \$1,896 increase in the annual landscaping maintenance cost for the District.

For the reasons stated above, staff recommends a 3 percent increase in the assessment from \$206.04 to \$212.22 during FY 2017-18, which equals the greater of 3 percent or the percentage increase of the CPI.

Attachment A

The following District budget was prepared to reflect staff's recommendation.

FY 2017-18 Budget Descriptions	Balance
<i>Beginning Fund Balance</i>	(\$2,780)
<i>Adjustment to Estimated Fund Balance</i>	\$470
<i>Revenue</i>	
Annual Assessment Revenue	\$9,650
Total Resources	\$7,340
<i>Expenditure</i>	
Salaries – Regular	(\$2,340)
Benefits	(\$1,150)
Contract Services (Landscaping)	(\$2,800)
SDG&E	(\$100)
Helix Water	(\$850)
Transfer to City for Admin & Operations	(\$100)
Total Expenditures	(\$7,340)
Ending Fund Balance	\$0

At the end of FY 2017-18, staff anticipates no surplus will be available to add to the District's reserve goal of \$11,550. Staff will continue to monitor the fiscal stability of the District each year, paying close attention to the expenditures made and the need to adjust the annual assessment in order to safeguard the District's fiscal health to afford operational costs and reserve goals.

Conclusion:

Staff recommends that the City Council adopt a Resolution (**Attachment B**) approving the levy and collection of assessments within the Lemon Grove Wildflower Landscape Maintenance Assessment District 97-1 for Fiscal Year 2017-18 and directs the City Clerk to file the levy with the County of San Diego Auditor and Controller on or before August 10, 2017.

Attachment B

RESOLUTION NO. 2017 - _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA
APPROVING THE LEVY AND COLLECTION OF ASSESSMENTS WITH THE LEMON
GROVE WILDFLOWER LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT 97-1 FOR
FISCAL YEAR 2017-2018**

WHEREAS, on September 2, 1997, the City Council adopted Resolution No. 1805, declaring the results of a property owner protest proceeding held in the Lemon Grove Wildflower Landscaping Maintenance Assessment District 97-1 (District); and

WHEREAS, the engineer's report for the District, approved by Resolution No. 1804, on file with the City Clerk, gives a full and detailed description of the proposed assessments upon assessable lots and parcels of land within the District; and

WHEREAS, the City Council desires to increase the assessment against parcels of land with the District for the fiscal year commencing on July 1, 2017 and ending June 30, 2018, to pay the expenses of operating, maintaining and servicing landscaping and appurtenant facilities located within public places in the District; and

WHEREAS, the City Council has determined that a 3 percent increase in the annual assessment will be needed for Fiscal Year 2017-2018. |

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lemon Grove, California hereby:

1. Sets the assessment rate for Fiscal Year 2017-2018 in the Lemon Grove Wildflower Landscape Maintenance Assessment District 97-1 at \$212.22 per parcel; and
2. Directs the City Clerk to file the levy with the County of San Diego Auditor and Controller on or before August 10, 2017. |

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